

Indiana House of Representatives

News and Information

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STATEHOUSE REPORT FROM REP. DAVE CROOKS

INDIANAPOLIS – Less than a month into the 2006 session of the Indiana General Assembly, we already have reached major deadlines in passing legislation this year.

Thursday (January 26) was the final day that Indiana House committees could hear the bills filed in that chamber. If it seems like only a few days ago that committees started work, remember that this session started on January 4.

By next Friday (February 3), we will have wrapped up the first phase of the legislative calendar. That day is the deadline for floor action on all House bills. These are traditionally the busiest days of the year at the Legislature, with sessions stretching into the late evening hours.

Easily the biggest news of the past week was the governor's announcement that the state has received a bid of \$3.85 billion from foreign investors who want to lease the Indiana Toll Road for the next 75 years. With this funding in hand, the governor says he will be able to proceed with his Major Moves infrastructure improvement program.

The machinery to give these investors control of the toll road is contained in House Bill 1008, which awaits final action by the full House. This bill provides the first chance for many of us to examine this proposal in detail, since the administration has been stingy about giving us information about its plans. Even after an initial study, it is apparent there are serious questions about Major Moves that must be answered.

We are being told that leasing the toll road and turning over all future toll money collected in the next 75 years to foreign investors is the only way to make Major Moves financially feasible. Are there other funding options available? For instance, could we increase tolls as the governor has proposed, then use that money to pay for construction projects?

There also are legitimate worries about foreign control of public assets, non-compete clauses that will impact repairs to alternate roadways, unfair toll increases and increased liability for Hoosiers in the event that the foreign investor defaults.

House Democrats have offered an alternate proposal to generate \$1.6 billion in revenue that would finance infrastructure improvements.

Under this proposal, the state would use revenue from toll increases already announced by the Daniels Administration to float \$800 million in bonds over the next 20 years. The plan also calls for the state to generate another \$800 million by using Garvee bonds, a process by which the state can borrow against future federal revenue. By using this plan, all revenue generated by toll increases would stay in Indiana and finance state projects.

All lawmakers agree with the governor that a long-term program to improve our roads and bridges is critical. There are differences of opinion in the way we should finance those improvements, and now there are at least two different options available for debate. Perhaps it will be possible to reach a consensus between the two plans.

I encourage all of you to consider these proposals, determine which plan keeps Hoosier dollars in Indiana and provides the safest way to keep our state on the right track, and make your feelings known.

With all the attention that has been focused on Major Moves, other important measures have been flying under the public's radar and not getting the attention they deserve. This week, I'd like to tell you about a few of these proposals, because their impact could be huge if they become state law.

PROPERTY TAXES: House Bill 1001 contains a series of minor provisions aimed at reducing property taxes, although these measures will do little to offset the increases that home and business owners are seeing as a result of the 2005-06 state budget. However, I think most public attention on this bill will focus on a proposal that calls for the elimination of property taxes in Indiana in 2009. The plan offers no way to replace the revenue that would be lost.

REORGANIZING GOVERNMENTS: House Bill 1362 would give local units of government the ability to merge services. If this proposal becomes law, two or more counties, communities or townships could consolidate into a single entity. Any such merger must be approved through a referendum before it could take effect.

TELECOMMUNICATIONS: Two measures designed to deregulate telecommunications are working through the Legislature. Both House Bill 1279 and Senate Bill 245 are touted by supporters as ways to keep prices low and offer more choices in types of service. I strongly believe deregulation will lead to unchecked rate increases and poor quality of service for phone customers.

If you want to talk to me about any of the issues I have mentioned in this week's Report, please call me on the toll-free Statehouse telephone number of 1-800-382-9842, e-mail me through my Internet web site at www.IN.gov/H63 or write to me in care of the Indiana House of Representatives, 200 W. Washington St., Indianapolis, IN 46204.

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